

**MOR-1****UNITED STATES BANKRUPTCY COURT**

CASE NAME: 3443 Zen Garden, LP  
CASE NUMBER: 20-10410-hcm  
PROPOSED PLAN DATE: Confirmed Effective 02/02/21

PETITION DATE: 3/22/2020  
DISTRICT OF TEX: Western  
DIVISION: Austin

**MONTHLY OPERATING REPORT SUMMARY FOR MONTH****JANUARY YEAR 2021**

MONTH	* Mar 22 - April 30	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
REVENUES (MOR-6)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INCOME BEFORE INT; DEPREC./TAX (MOR-6)	-269,678.43	-332,534.28	-440,903.92	-554,337.71	-518,287.25	-639,184.18	-574,398.07	-133,987.63	-111,163.53	-133,711.98
NET INCOME (LOSS) (MOR-6)	-269,678.43	-332,859.28	-440,903.92	-559,213.26	-518,287.25	-639,184.18	-78,090,290.87	-5,251.29	-111,163.53	-146,818.25
PAYMENTS TO INSIDERS (MOR-9)	0.00	167,158.90	154,696.89	344,321.96	497,004.31	322,648.93	577,641.84	62,247.82	26,201.81	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	250,263.50	66,788.25	66,373.48	115,851.83	93,942.78	329,941.25	238,109.32
TOTAL DISBURSEMENTS (MOR-7)	0.00	167,208.90	154,796.89	613,159.56	563,958.56	390,429.41	5,296,015.63	239,392.08	3,278,779.74	892,669.86

\*\*\*The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

REQUIRED INSURANCE MAINTAINED		
AS OF SIGNATURE DATE		EXP. DATE
CASUALTY	YES ( X ) NO ( )	2/7/2021
LIABILITY	YES ( X ) NO ( )	2/7/2021
VEHICLE	YES ( ) NO ( )	____-____-____
WORKER'S	YES ( ) NO ( )	____-____-____
OTHER**	YES ( X ) NO ( )	2/7/2021
** Builders Risk		

Are all accounts receivable being collected within terms?	Yes
Are all post-petition liabilities, including taxes, being paid	Yes
Have any pre-petition liabilities been paid?	Yes
If so, describe	Per Order Authorizing Payment of Pre-Petition Claims dated 07/31/20 (Doc #167)
Are all funds received being deposited into DIP bank acco	Yes
Were any assets disposed of outside the normal course of.	Yes
If so, describe	Per Order Authorizing Sale (Doc #284)
Are all U.S. Trustee Quarterly Fee Payments current?	Yes
What is the status of your Plan of Reorganization?	Confirmed; Effective date of 2/2/2021

ATTORNEY NAME: Jason Rudd  
FIRM NAME: Wick Phillips  
ADDRESS: 3131 McKinney Avenue  
Suite 100  
CITY, STATE, ZIP: Dallas, Texas 75204  
TELEPHONE/FAX: 214.740.4038

I certify under penalty of perjury that the following complete  
Monthly Operating Report (MOR), consisting of MOR-1 through  
MOR-9 plus attachments, is true and correct.

SIGNED X  TITLE: Chapter 11 Trustee  
Gregory S. Milligan

Date: March 4, 2021

**MOR-1**

Revised 07/01/98

**NOTE:** The Court approved the Chapter 11 Trustee's appointment on 04/22/20; accordingly, the Trustee lacks firsthand knowledge of information from prior to such date and cannot certify that the pre-appointment information contained herein is true and correct. For the pre-appointment date information the Trustee has relied upon information provided by other parties

CASE NAME: 3443 Zen Garden, LP

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**COMPARATIVE BALANCE SHEETS**

<b>ASSETS</b>	<b>FILING DATE*</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>
	03/22/2020	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY
<b>CURRENT ASSETS</b>											
Cash	1,862	3,711	799,752	1,565,608	1,654,117	1,716,862	9,199,627	8,725,997	8,486,605	8,218,060	7,966,845
Accounts Receivable, Net	2,303,215	2,303,215	2,303,215	2,303,215	2,303,215	2,303,215	2,303,215	2,303,215	2,303,215	2,303,215	2,303,215
Inventory: Lower of Cost or Market											
Prepaid Expenses	371,040	323,776	327,737	292,001	256,265	220,528	184,792	166,924	166,924	166,924	166,924
Investments											
Other											
<b>TOTAL CURRENT ASSETS</b>	<b>2,676,118</b>	<b>2,630,702</b>	<b>3,430,704</b>	<b>4,160,824</b>	<b>4,213,597</b>	<b>4,240,605</b>	<b>11,687,635</b>	<b>11,196,136</b>	<b>10,956,744</b>	<b>10,688,199</b>	<b>10,436,984</b>
PROPERTY, PLANT & EQUIP. @ COS	117,351,212	117,351,212	117,351,212	117,351,212	117,351,212	117,351,212	117,351,212	0	0	0	0
Less Accumulated Depreciation											
<b>NET BOOK VALUE OF PP &amp; E [a]</b>	<b>117,351,212</b>	<b>117,351,212</b>	<b>117,351,212</b>	<b>117,351,212</b>	<b>117,351,212</b>	<b>117,351,212</b>	<b>117,351,212</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OTHER ASSETS</b>											
1. Notes Receivable	360,461	360,461	360,461	360,461	360,461	360,461	360,461	360,461	360,461	360,461	360,461
2. Advance Requests	5,024,150	5,024,150	5,024,150	5,024,150	5,024,150	5,024,150	5,024,150	0	0		
3. Electric Deposit											
4.											
<b>TOTAL ASSETS</b>	<b>125,411,941</b>	<b>125,366,525</b>	<b>126,166,528</b>	<b>126,896,647</b>	<b>126,949,420</b>	<b>126,976,429</b>	<b>134,423,458</b>	<b>11,556,597</b>	<b>11,317,205</b>	<b>11,048,661</b>	<b>10,797,445</b>

\* Per Schedules and Statement of Affairs

**MOR-2**

[a] For tax / GAAP purposes, the Debtor has historically capitalized all of its expenses.

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### COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	03/22/2020	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY
<b>LIABILITIES</b>											
POST-PETITION LIABILITIES(MOR-4)		222,414	1,355,277	2,526,301	3,138,287	3,842,038	11,928,252	7,699,973	7,533,333	7,375,952	7,271,554
<b>PRE-PETITION LIABILITIES</b>											
Secured Debt	112,028,927	112,028,927	112,028,927	112,028,927	112,028,927	112,028,927	112,028,927	71,480,636	71,480,636	71,480,636	71,480,636
Priority Debt											
Federal Income Tax											
FICA/Withholding											
Unsecured Debt	2,002,949	2,002,949	2,002,949	2,002,949	2,002,949	1,844,493	1,844,493	1,844,493	1,776,993	1,776,993	1,776,993
Other											
TOTAL PRE-PETITION LIABILITIES	114,031,877	114,031,877	114,031,877	114,031,876	114,031,876	113,873,420	113,873,420	73,325,128	73,257,628	73,257,628	73,257,628
<b>TOTAL LIABILITIES</b>	114,031,877	114,254,291	115,387,153	116,558,177	117,170,163	117,715,458	125,801,672	81,025,102	80,790,961	80,633,580	80,529,183
<b>OWNER'S EQUITY (DEFICIT)</b>											
PREFERRED STOCK											
COMMON STOCK											
ADDITIONAL PAID-IN CAPITAL											
RETAINED EARNINGS: Filing Date		11,381,913	11,381,913	11,381,912	11,381,912	11,381,912	11,381,912	11,381,912	11,381,912	11,381,912	11,381,912
RETAINED EARNINGS: Post Filing Date		-269,678	-602,538	-1,043,442	-1,602,655	-2,120,942	-2,760,126	-80,850,417	-80,855,668	-80,966,832	-81,113,650
TOTAL OWNER'S EQUITY (NET WORTH)		11,112,234	10,779,375	10,338,471	9,779,258	9,260,970	8,621,786	-69,468,505	-69,473,756	-69,584,920	-69,731,738
<b>TOTAL LIABILITIES &amp; OWNERS EQUITY</b>	114,031,877	125,366,525	126,166,528	126,896,647	126,949,420	126,976,429	134,423,458	11,556,597	11,317,205	11,048,661	10,797,445

\* Per Schedules and Statement of Affairs

MOR-3

Revised 07/01/98

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**SCHEDULE OF POST-PETITION LIABILITIES**

	MONTH Mar 22 to Apr 30	MONTH MAY	MONTH JUNE	MONTH JULY	MONTH AUGUST	MONTH SEPTEMBER	MONTH OCTOBER	MONTH NOVEMBER	MONTH DECEMBER	MONTH JANUARY
<b>TRADE ACCOUNTS PAYABLE</b>	148,947	121,619	161,818	183,183	193,326	263,955	67,349	25,890	0	0
<b>TAX PAYABLE</b>										
Federal Payroll Taxes										
State Payroll Taxes										
Ad Valorem Taxes (Accrued)	24,956	43,825	62,694	81,563	100,433	119,302	128,736			
Other Taxes										
<b>TOTAL TAXES PAYABLE</b>	24,956	43,825	62,694	81,563	100,433	119,302	128,736	0	0	0
<b>SECURED DEBT POST-PETITION</b>		963,250	1,883,903	2,585,572	3,212,275	4,085,470	0	0	0	0
<b>ACCRUED INTEREST PAYABLE</b>										
<b>ACCRUED PROFESSIONAL FEES*</b>	48,511	226,258	417,561	287,968	336,005	459,525	488,212	507,443	375,952	271,554
<b>OTHER ACCRUED LIABILITIES</b>										
1. US TRUSTEE FEES		325	325	0	0		15,675			
2. SALE DEPOSIT ESCROW						7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
3.										
<b>TOTAL POST-PETITION LIABILITIES (MOR-3)</b>	222,414	1,355,277	2,526,301	3,138,287	3,842,038	11,928,252	7,699,973	7,533,333	7,375,952	7,271,554

\*Payment requires Court Approval

**MOR-4**

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CASE NAME: 3443 Zen Garden, LP  
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**AGING OF POST-PETITION LIABILITIES**  
**MONTH** JANUARY

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES (Accrued)	OTHER UST FEES
0-30	0					
31-60	0					
61-90	0					
91+	0					
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**AGING OF ACCOUNTS RECEIVABLE**

MONTH						
0-30 DAYS						
31-60 DAYS						
61-90 DAYS						
91+ DAYS						
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**MOR-5**

*Revised 07/01/98*

CASE NAME: 3443 Zen Garden, LP  
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## STATEMENT OF INCOME (LOSS)

	MONTH Mar 22 - Apr 30	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	FILING TO DATE
REVENUES (MOR-1)											0
TOTAL COST OF REVENUES											0
GROSS PROFIT	0	0	0	0	0	0	0	0			0
OPERATING EXPENSES:											
Repairs, Maintenance, Preservation	110,945	78,767	126,401	300,988	266,738	234,429	316,491	19,914			1,454,673
General & Administrative	72,220	54,655	96,841	86,806	92,064	156,013	69,780	26	390		628,794
Insiders Compensation											0
Professional Fees (a)	48,511	177,747	191,303	120,671	114,825	189,894	144,539	113,173	110,774	133,712	1,345,148
Utilities	17,530	13,536	14,329	15,587	17,114	16,822	166				95,083
Regulatory / Legal	20,473	7,830	12,030	30,286	27,547	42,026	43,422	875			184,488
Other Accrued Expenses											0
TOTAL OPERATING EXPENSES	269,678	332,534	440,904	554,338	518,287	639,184	574,398	133,988	111,164	133,712	3,708,187
INCOME BEFORE INT, DEPR/TAX (MOR-1)	-269,678	-332,534	-440,904	-554,338	-518,287	-639,184	-574,398	-133,988	-111,164	-133,712	-3,708,187
INTEREST EXPENSE							124,855	0			124,855
DEPRECIATION											0
OTHER (INCOME) EXPENSE*		325		4,876			15,675			13,106	33,982
OTHER ITEMS (Loss on Sale of Real Estate)							77,375,362	-128,736			77,246,626
TOTAL INT, DEPR & OTHER ITEMS	0	325	0	4,876	0	0	77,515,893	-128,736	0	13,106	77,405,463
NET INCOME BEFORE TAXES	-269,678	-332,859	-440,904	-559,213	-518,287	-639,184	-78,090,291	-5,251	-111,164	-146,818	-81,113,650
FEDERAL INCOME TAXES											0
NET INCOME (LOSS) (MOR-1)	-269,678	-332,859	-440,904	-559,213	-518,287	-639,184	-78,090,291	-5,251	-111,164	-146,818	-81,113,650

Accrual Accounting Required, Otherwise Footnote with Explanation.

(a) includes Trustee fees prior to applying the statutory cap, counsel for the Debtors (Wick Phillips), special counsel (Sprouse), and financial advisor (Harney Partners), and Kell Mercer PC (counsel for petitioning creditors)

NOTE: Debtor has historically capitalized all construction related expenses. For transparency purposes, no expenses have been capitalized in this MOR.

**MOR-6**

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CASH RECEIPTS AND DISBURSEMENTS	MONTH Mar 22 to Apr 30	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	FILING TO DATE
1. CASH-BEGINNING OF MONTH	\$3,710.75	\$3,710.75	\$799,751.85	\$1,565,607.96	\$1,654,117.40	\$1,716,861.84	\$9,199,627.43	\$8,725,996.76	\$8,486,604.68	\$8,218,060.38	\$3,710.75
RECEIPTS:											
2. RELATED TO OTHER COMPENSABLE DISBURSEMENTS							4,581,001.96		2,922,558.68	641,454.27	8,145,014.91
3. COLLECTION OF ACCOUNTS RECEIVABLE											0.00
4. LOANS & ADVANCES (see next page)		963,250.00	920,653.00	701,669.00	626,703.00	873,195.00	241,383.00				4,326,853.00
5. SALE OF ASSETS											0.00
6. OTHER (Sale/Settlement Deposit Escrow)						7,000,000.00	0.00		87,676.76		7,087,676.76
TOTAL RECEIPTS**	0.00	963,250.00	920,653.00	701,669.00	626,703.00	7,873,195.00	4,822,384.96	0.00	3,010,235.44	641,454.27	19,559,544.67
(Withdrawal) Contribution by Individual Debtor MFR-2*											0.00
DISBURSEMENTS:											
7. NET PAYROLL											0.00
8. PAYROLL TAXES PAID											0.00
9. SALES, USE & OTHER TAXES PAID											0.00
10. SECURED/RENTAL/LEASES											0.00
11. UTILITIES & TELEPHONE		4,940.75	26,223.19	13,547.38	15,210.45	13,994.80	20,908.29	232.74			95,057.60
12. INSURANCE		39,697.60		24,324.10			42,164.53				106,186.23
13. INVENTORY PURCHASES											0.00
14. VEHICLE EXPENSES											0.00
15. TRAVEL & ENTERTAINMENT											0.00
16. REPAIRS, MAINTENANCE & SUPPLIES		46,712.37	120,973.70	306,450.48	481,793.86	309,854.13	514,569.02	62,015.08	26,201.81		1,868,570.45
17. ADMINISTRATIVE & SELLING		50.00	100.00	373.55	166.00	207.00	168.00	26.00	78.00		1,168.55
18. OTHER (attach list)(a)		75,808.18	7,500.00	13,000.00				67,500.00			163,808.18
TOTAL DISBURSEMENTS FROM OPERATIONS	0.00	167,208.90	154,796.89	357,695.51	497,170.31	324,055.93	577,809.84	129,773.82	26,279.81	0.00	2,234,791.01
19. PROFESSIONAL FEES				250,263.50	66,788.25	66,373.48	115,851.83	93,942.78	329,941.25	238,109.32	1,161,270.41
19a. OTHER COMPENSABLE DISBURSEMENTS							4,581,001.96		2,922,558.68	641,454.27	8,145,014.91
20. U.S. TRUSTEE FEES				5,200.55				15,675.48		13,106.27	33,982.30
21. OTHER REORGANIZATION EXPENSES (Trustee Bond increase)							21,352.00				21,352.00
TOTAL DISBURSEMENTS**	0.00	167,208.90	154,796.89	613,159.56	563,958.56	390,429.41	5,296,015.63	239,392.08	3,278,779.74	892,669.86	11,596,410.63
22. NET CASH FLOW	0.00	796,041.10	765,856.11	88,509.44	62,744.44	7,482,765.59	-473,630.67	-239,392.08	-268,544.30	-251,215.59	7,963,134.04
23. CASH - END OF MONTH (MOR-2)	\$3,710.75	\$799,751.85	\$1,565,607.96	\$1,654,117.40	\$1,716,861.84	\$9,199,627.43	\$8,725,996.76	\$8,486,604.68	\$8,218,060.38	\$7,966,844.79	\$7,966,844.79

\* Applies to Individual debtors only

\*\*Numbers for the current month should balance (match)

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

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MOR-7

(a) OTHER includes \$12,375 to Rob Roy Parnell and \$55,125 to Winstead for allowed administrative expense

CASE NAME: 3443 Zen Garden, LP

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**CASH ACCOUNT RECONCILIATION**  
**MONTH OF** January

BANK NAME	Frost	Frost	Frost	Frost	
ACCOUNT NUMBER	#1511	#3998	#3882	#9614	
<b>ACCOUNT TYPE</b>	<b>OPERATING (CLOSED)</b>	<b>TRUSTEE OPERATING</b>	<b>PROF FEE ESCROW</b>	<b>SALE DEPOSIT ESCROW</b>	<b>TOTAL</b>
BANK BALANCE	0.00	250,188.81	729,762.25	7,000,000.00	\$7,979,951.06
DEPOSITS IN TRANSIT					\$0.00
OUTSTANDING CHECKS		13,106.27			\$13,106.27
ADJUSTED BANK BALANCE	\$0.00	\$237,082.54	\$729,762.25	\$7,000,000.00	\$7,966,844.79
BEGINNING CASH - PER BOOKS	0.00	488,298.13	729,762.25	7,000,000.00	\$8,218,060.38
RECEIPTS*					\$0.00
TRANSFERS BETWEEN ACCOUNTS					\$0.00
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2					\$0.00
CHECKS/OTHER DISBURSEMENTS*		251,215.59			\$251,215.59
ENDING CASH - PER BOOKS	\$0.00	\$237,082.54	\$729,762.25	\$7,000,000.00	\$7,966,844.79

**MOR-8**

\*Numbers should balance (match) TOTAL RECEIPTS and  
TOTAL DISBURSEMENTS lines on MOR-7

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CASE NAME: 3443 Zen Garden, LP  
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## PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH Mar 22 - Apr 30	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January
1. Panache Develop & Construction, Inc (a)		167,158.90	154,696.89	344,321.96	497,004.31	322,648.93	577,641.84	62,247.82	26,201.81	0.00
2.										
3.										
4.										
5.										
6.										
TOTAL INSIDERS (MOR-1)	\$0.00	\$167,158.90	\$154,696.89	\$344,321.96	\$497,004.31	\$322,648.93	\$577,641.84	\$62,247.82	\$26,201.81	\$0.00

PROFESSIONALS	MONTH Mar 22 - Apr 30	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January
1. Gregory S. Milligan / Chapter 11 Trustee									203,479.05	84,675.82
2. Harney Partners / FA to Trustee				21,448.00	7,924.00	3,752.00	14,728.00	4,648.00	15,015.00	2,968.00
3. Wick Phillips / Counsel to Trustee				193,948.30	47,340.25	57,441.48	99,219.83	89,294.78	98,386.20	150,465.50
4. Sprouse Shrader Smith / Counsel to Trustee				22,797.00	3,024.00	5,180.00	1,904.00	0.00	13,061.00	
5. Kell Mercer PC / Counsel to Petitioning Creditors				12,070.20	0.00	0.00	0.00	0.00		
6. Gindler, Chappell, Morrison & Co. PC / Accountant					8,500.00	0.00	0.00	0.00		
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$250,263.50	\$66,788.25	\$66,373.48	\$115,851.83	\$93,942.78	\$329,941.25	\$238,109.32

**MOR-9** (a) reimbursement for payment to subcontractors for approved expenses pursuant to court-approved budget

Revised 07/01/98